

DAILY FOREX NEWSLETTER

Wednesday, 18th November 2020

Local Markets:

The Kenyan Shilling was stable on Tuesday and traders said they expected it to weaken due to increased dollar demand from oil and general goods importers.

Top News:

- Gold prices edged higher on Wednesday as investors weighed the economic impact from the resurgence of Covid-19 globally against optimism over a potential vaccine.
- Oil prices fell on Wednesday after a bigger-than-expected build in U.S. crude stockpiles stoked fears for weak fuel demand and a potential supply glut, but hopes that OPEC and its allies will postpone a planned January increase to oil output braked losses.

International Markets

USD: Dollar ends lower on continued Covid-19 vaccine optimism. The greenback ended lower against majority of its peers on Tuesday and fell to a one-week low on continued optimism that a coronavirus vaccine would be available by early next year together with falling U.S. Treasury yields. Versus the Japanese yen, dollar traded sideways in Asia and met renewed selling at 104.56 ahead of European open and fell to a 1-week low at 104.08 in New York due to falling U.S. Treasury yields before rebounding to 104.24 on short-covering and then moved narrowly.

GBP: GBP/USD prints four-day winning streak, recently picking up bids from 1.3144. 10-day SMA, two-week-old rising trend line offer near-term strong support. Monthly top, September high stay on the bulls' radars. GBP/USD ticks up to 1.3260, gaining 0.06% intraday, during the pre-Tokyo open trading on Wednesday. In doing so, the Cable keeps Friday's recovery moves from 10-day SMA and an ascending trend line from November 02 amid bullish MACD signals.

EUR: EUR/USD regains poise, tracking risk recovery in stocks. Hopes for swift vaccine-led global economic recovery overshadow rising coronavirus cases. Dips remain well supported by expectations for additional Fed easing. EUR/USD has reversed early losses, with the risk assets regaining poise despite rising odds of coronavirus-induced lockdown restrictions in major economies. Asian stock markets got off to a negative start early Tuesday, tracking overnight losses on wall street as investors sold risk on concerns that the US authorities would impose the economically painful lockdown restrictions to contain the coronavirus outbreak.

INR: The rupee on Tuesday appreciated by 16 paise to settle at 74.46 (provisional) against the US dollar on the back of improved demand for riskier assets after positive news on coronavirus vaccine. Besides, a weak dollar overseas also supported the local unit. At the interbank forex market, the domestic unit opened strong at 74.43 against the US dollar and later touched a high of 74.38 in day trade.

Indicative FX rates as at 8.30am:

Currency	Buying	Selling	Currency	Today	Previous
USD/KES	108.80	111.30			
GBP/KES	143.55	148.00	GBP/USD	1.3270	1.3225
EUR/KES	128.65	132.60	EUR/USD	1.1880	1.1865
INR/KES		1.5110	AUD/USD	0.7300	0.7320
			USD/INR	74.40	74.40
			Commodities		
			Gold	1878	1884
			Brent Crude	43.73	44.16

T-Bills Rates:

Duration	Current	Previous
91 Days	6.674%	6.666%
182 Days	7.114%	7.072%
364 Days	8.042%	7.994%

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